

AMENDED IN ASSEMBLY MARCH 19, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1735

Introduced by Assembly Member Wieckowski

February 16, 2012

An act to amend Section 22212.5 of the Education Code, relating to state teachers' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1735, as amended, Wieckowski. State teachers' retirement: executive and managerial positions.

The State Teachers' Retirement Law, which is administered by the Teachers' Retirement Board, prescribes a comprehensive system of rights and benefits for its members, including disability benefits, retirement benefits, and death benefits. Existing law requires the Teachers' Retirement Board to fix the compensation of specified executive and managerial positions, including *that of* the chief executive officer, system actuary, general counsel, chief investment officer, and other investment officers and portfolio managers whose positions are designated as managerial, and to whom specified procedures and ~~conflict of interest~~ *conflict-of-interest* provisions apply.

This bill would add the positions of chief operating officer and chief financial officer to those positions for which the board is required to fix the compensation *and would make the individuals holding those positions subject to those conflict-of-interest provisions. The bill would also prohibit the salaries of the chief operating officer and chief financial officer from exceeding 150 percent of the prevailing salary for the Governor, as specified. The bill would additionally remove the position of chief of staff from those positions that are subject to*

conflict-of-interest provisions that limit postemployment appearances before, or communication to, the board.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22212.5 of the Education Code is
2 amended to read:

3 22212.5. (a) Except as otherwise provided in subdivision (d),
4 this section shall apply to the following positions in the system:
5 chief executive officer, chief operating officer, chief financial
6 officer, system actuary, general counsel, chief investment officer,
7 and other investment officers and portfolio managers whose
8 positions are designated managerial pursuant to Section 18801.1
9 of the Government Code.

10 (b) (1) Notwithstanding Sections 19816, 19825, 19826, 19829,
11 and 19832 of the Government Code, the board shall fix the
12 compensation for the positions specified in subdivision (a). In so
13 doing, the board shall be guided by the principles contained in
14 Sections 19826 and 19829 of the Government Code, consistent
15 with its fiduciary responsibility to its members to recruit and retain
16 highly qualified and effective employees for these positions.

17 (2) *The salary for the chief operating officer and the chief*
18 *financial officer fixed pursuant to paragraph (1) shall not exceed*
19 *150 percent of the prevailing salary for the Governor, as*
20 *established by the California Citizens Compensation Commission.*

21 (c) When a position specified in subdivision (a) is filled through
22 a general civil service appointment, it shall be filled from an
23 eligible list based on an examination that was held on an open
24 basis, and tenure in those positions shall be subject to the provisions
25 of Article 2 (commencing with Section 19590) of Chapter 7 of
26 Part 2 of Division 5 of Title 2 of the Government Code. In addition
27 to the causes for action specified in that article, the board may take
28 action under the article for causes related to its fiduciary
29 responsibility to its members, including the employee's failure to
30 meet specified performance objectives.

31 (d) An individual who held a position designated in subdivision
32 (a), or was a member of the board, ~~a chief of staff, a deputy chief~~
33 ~~executive officer, chief financial officer,~~ or was in an equivalent

1 senior management position, shall not, for a period of two years
2 after leaving that position, for compensation, act as agent or
3 attorney for, or otherwise represent, any other person, except the
4 state, by making any formal or informal appearance before or by
5 making any oral or written communication to the board, or any
6 officer or employee thereof, if the appearance or communication
7 is made for the purpose of influencing administrative or legislative
8 action or any action or proceeding involving the issuance,
9 amendment, awarding, or revocation of a permit, license, grant,
10 contract, or sale or purchase of goods or property.

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